



SETTLEMENT AGREEMENT FOR MATTERS RELATING TO

THE KIN-BUC LANDFILL

As used in this Agreement, the following words shall have the following meanings:

"Earthline" means Earthline Company, a partnership organized under the laws of the State of New Jersey and originally named Environmental Services Company, and its successors or assigns.

"Earthline action" refers to Earthline Company, et al. v. Kin-Buc, Inc., et al., Civ. Action No. 83-4226 (D.N.J.), filed on November 3, 1983.

"E.P.A." refers to the United States Environmental Protection Agency or any successor agency or instrumentality of the United States.

"E.P.A. order" refers to the Findings, Determination and Order, issued in In re Scientific, Inc., et al., Dkt. No. II-CERCLA-30102, by the E.P.A., Region II on September 23, 1983, and to any administrative or judicial order vacating, superseding or modifying such order.

"Filcrest" means Filcrest Realty, Inc., and its successors or assigns.

"Inmar" means Inmar Associates, Inc., and its successors or assigns.

"Kin-Buc" means Kin-Buc, Inc., and its successors or assigns.

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"Kin-Buc Landfill" refers to the Landfill facility located at 383 Meadow Road, Edison, New Jersey, which is the subject of the EPA order.

"Mahan" means Marvin H. Mahan and his heirs and assigns.

"Meagher" means Robert J. Meagher and his heirs and assigns.

"RTF" refers to the trust fund defined in Section 3 hereof.

"SCA" means SCA Services, Inc., and its successors or assigns.

"SCA/Earthline Group" refers to Earthline and SCA and its subsidiaries, SCA Passaic and Wastequid.

"SCA Passaic" means SCA Services of Passaic, Inc. and its successors or assigns.

"Scientific" means Scientific, Inc. and its successors or assigns.

"Scientific Group" refers to Inmar and Scientific and its subsidiaries, Kin-Buc and Filcrest.

"Sharing Formula" refers to the allocation of costs between the parties as defined in Section 2(c) hereof.

"Wastequid" means Wastequid, Inc., and its successors or assigns.

WHEREAS, on November 3, 1983, Earthline, SCA Passaic and SCA filed a complaint in the Earthline action asserting claims against Kin-Buc, Scientific, Filcrest, Wastequid, Inmar, Mahan and Meagher; and

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WHEREAS, on or about December 14, 1983, Kin-Buc, Scientific, Filcrest, Wastequid, Inmar, Mahan and Meagher filed counterclaims in the Earthline action against Earthline, SCA Passaic and SCA; and

WHEREAS, the parties have asserted various other claims against one another relating to, inter alia, the release of hazardous substances from the Kin-Buc Landfill, and the E.P.A. order; and

WHEREAS, each of the parties has determined that it is in its best interest to terminate litigation between the parties and to resolve claims existing between and among the parties on the terms and conditions set forth below.

NOW, THEREFORE, Scientific, Kin-Buc, Filcrest, Inmar, Mahan, Meagher, SCA, SCA Passaic, Wastequid and Earthline agree as follows:

Section 1. Stipulations and Dismissal of Claims.

The parties hereby agree that:

(a) They (and their subsidiaries, successors and assigns) shall not allege, advance or proactively support in any pending or future action or proceeding (or otherwise) any contention that: (1) any member of the SCA/Earthline Group, or any of its subsidiaries, directors, officers, agents or employees, at any time owned, operated, or participated in the operation of the Kin-Buc Landfill, including without limitation the liquid waste disposal operations at the Kin-Buc Landfill; (2) any member of the SCA/Earthline Group, or any of its subsidiaries, directors, officers, agents or employees, controlled at any time the volume of liquid waste disposed at the Kin-Buc Landfill; (3) SCA Passaic and Wastequid have or had any relationship to the Kin-Buc Landfill other than as partners in Earthline; (4) Scientific, Mahan, Meagher, or any of their directors, officers, agents or employees at any time owned the Kin-Buc Landfill; or (5) Scientific, Mahan, Meagher, Filcrest, Inmar, or any of their directors, officers, agents or employees at any time operated, or participated in the operation of the Kin-Buc Landfill, including without limitation the liquid waste disposal operations at the Kin-Buc Landfill,

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or controlled at any time the volume of liquid waste disposed at the Kin-Buc Landfill.

Nothing in this agreement is intended to prohibit any party from testifying truthfully in any judicial or administrative action or proceeding or from responding truthfully to any discovery request.

(b) Earthline, SCA Passaic, SCA, Scientific, Kin-Buc, Wastequid, Filcrest, Inmar, Mahan and Meagher shall execute and file with the United States District Court for New Jersey a stipulation in the form annexed hereto as Exhibit A dismissing without prejudice, subject to this agreement, all claims asserted by any of them in the Earthline action against any other party hereto.

(c) All attorneys' fees and costs incurred in the Earthline action by Earthline, SCA Passaic and/or SCA shall be borne solely by Earthline, SCA and SCA Passaic, jointly and severally. All attorneys' fees and costs incurred in the Earthline action by Scientific, Kin-Buc, Filcrest, Inmar, Wastequid, Mahan and/or Meagher shall be borne solely by Scientific, Kin-Buc, Filcrest, Inmar, Mahan and/or Meagher in such manner as they agree.

(d) Kin-Buc shall implement the remedial response activities, in remediation of the Kin-Buc Landfill, subject to the review and approval of the committee created by Section 3(c). The SCA/Earthline Group and the Scientific Group agree to share, in accordance with the Sharing Formula, the costs of defending, settling or paying claims, demands or causes of action arising out of acts or omissions of Kin-Buc, on and after the date of this Agreement, in implementation of remedial response activities pursuant to this subsection; provided, however, no such costs shall be paid from the RTF.

Section 2. Sharing of Response Costs.

(a) The parties agree, as and among themselves and for the benefit of no third party, to share all remedial response costs incurred on and

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after July 1, 1985, by any party hereto for response activities, performed in the remediation of the Kin-Buc Landfill, (e.g., off-site removal, construction, implementation, testing, earth moving, environmental monitoring, operation, maintenance, etc.), pursuant to: the Findings, Determination and Order of the United States Environmental Protection Agency dated September 23, 1983 (Docket No. II-CERCLA-30102) including any administrative or judicial order vacating, superseding or modifying such EPA order; the Stipulation and Agreement of Partial Settlement dated January 30, 1980 (Civil Action No. 79-514) between the United States and Kin-Buc, Inc.; the Stipulation and Agreement in Partial Settlement of Administrative Proceedings dated January 30, 1980 (Docket No. 787-788) between the NJDEP, NJBPU and Kin-Buc; or any other order, administrative action or statute ordering the performance of remedial response activities.

(b) Remedial response costs incurred by any party or subsidiary of any party in the remediation of Kin-Buc Landfill prior to July 1, 1985, shall be borne solely by the party who incurred said cost and without further recourse against any other party or subsidiary, officer, director, agent, or employee of any party hereto: provided, however, any such costs incurred and paid by Wastequid prior to the date of this Agreement shall be borne exclusively by the Scientific Group, jointly and severally. Such response costs incurred by Earthline shall be borne solely by Earthline, SCA and SCA Passaic, jointly and severally.

(c) All remedial response costs incurred by any party or subsidiary, officer, director, agent, or employee of any party in the remediation of Kin-Buc Landfill on or after July 1, 1985, and approved by the trustee of the Response Trust Fund hereafter referred to, shall be shared among the parties as follows:

(i) 25% of the remedial response costs, jointly and severally from the SCA/Earthline Group, on behalf of Earthline and SCA and all of its subsidiaries, including SCA Passaic and Wastequid, as general partners of Earthline Company, and all officers, directors, agents or employees of any of them.

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(ii) 75% of the remedial response costs, jointly and severally from the Scientific Group on behalf of Scientific, Kin-Buc, Filcrest, Inmar and all their subsidiaries, officers, directors, agents or employees.

Section 3. Response Trust Fund. (the "RTF")

(a) The Scientific Group and SCA/Earthline Group have, on the date of this agreement, created an income-producing Response Trust Fund, pursuant to the TRUST AGREEMENT attached hereto as Exhibit B, from which all remedial response costs incurred by any party or subsidiary, officer, director, agent or employee of a party hereto will be paid. Contributions to the RTF will be made in accordance with the Sharing Formula. All payments to the RTF shall be in the form of cash, or cashier's or certified check.

(b) The initial balance of the RTF will be One Million Seven Hundred Fifty Thousand Dollars (~~\$1,750,000.~~^{\$1,713,827}), One Million Three Hundred Twelve Thousand Five Hundred Dollars (~~\$1,312,500.~~^{\$1,431,876}) to be contributed on the date of this agreement by the Scientific Group and Four Hundred Thirty-Seven Thousand Five Hundred Dollars (~~\$437,500~~^{\$479,957}) by the SCA/Earthline Group.

After the initial balance of the RTF has been constituted, at such time that, from time to time during the life of the Trust, the balance remaining in the RTF, net of invoices received and duly payable, is less than \$50,000 the trustee shall notify the two Groups of such fact, in writing. The two Groups shall meet or confer within 7 days of the date of the trustee's notice to determine the anticipated expenditures for the subsequent three month period, which agreed upon sum shall be deposited in the RTF, in accordance with the Sharing Formula, within 7 days of the date the sum is agreed upon. If the two Groups cannot agree on the sum within 7 days of the trustee's notice, the two Groups shall reconstitute the RTF, within 14 days of the trustee's notice, according to the Sharing Formula so that there is a total of \$600,000 in the RTF, net of invoices received and duly payable.

Reconstitution of the RTF shall continue until USEPA approves termination of post-closure activities at the Kin-Buc Landfill. Scientific and SCA jointly shall have the authority to alter the required RTF funding levels from those specified elsewhere herein: in the event such altered levels are agreed upon, Scientific and SCA shall notify the trustee of the RTF in writing of the revised levels. The Scientific Group and the SCA/Earthline Group shall not be required to reconstitute the RTF at a level greater than Scientific and SCA agree is necessary to pay the reasonable anticipated response costs during any remaining period of remediation or required post-closure care, maintenance and monitoring (including a reserve for any judgment on any pending claims subject to sharing pursuant to Section 4).

In the event that a Group does not timely make a required payment to the RTF, each member of the defaulting Group shall be considered to be in breach of this agreement from the date of the defaulted payment; except that, if SCA does not make as requested a loan under the Acquisition Agreement referred to in the next paragraph, no member of the Scientific Group shall be in breach of the instant Agreement for failure to make a timely RTF payment which was to be made from such loan funds.

Provided, further, in the event that Scientific shall default, for a period of 30 days or longer, in the payment of interest or principal on any loan of funds pursuant to Section 1.3 of that certain Acquisition Agreement between SCA and Scientific, dated June 1, 1983, Scientific shall thereafter be considered in breach of the instant Agreement until it shall have become current in all such interest and principal payments. Provided, further, in the event that SCA breaches its obligation to make loans to Scientific, pursuant to the aforesaid Section of the Acquisition Agreement, SCA shall, for the period of such breach, be considered in breach of the instant Agreement.

(c) The Scientific Group and the SCA/Earthline Group will each appoint an individual (who may be replaced from time to time by the appointing party) to a committee which shall be responsible for:

(i) reviewing and approving the remediation plan for the Kin-Buc Landfill; and

(ii) authorizing the initiation and performance of all remedial response actions at the Kin-Buc Landfill by a party, and communicating such authorizations to the RTF trustee.

The committee shall also serve as the Trust Advisory Committee identified in the Trust Agreement (Exhibit B), and as such shall be responsible for reviewing all costs for remedial response actions incurred by a party or a subsidiary, officer, director, agent or employee of a party for which payment is requested from the RTF, and for making recommendations to the trustee.

The trustee of the RTF shall pay, from available RTF balances, any remedial response costs recommended by the committee for payment and may pay any legitimate costs for authorized remedial response actions, whether recommended for payment or not.

The determination of the committee shall be binding upon the Scientific Group and the SCA/Earthline Group. If the committee cannot make a unanimous recommendation within twenty (20) calendar days of a request for action, the matter shall be decided by agreement between the chief executive officers of Scientific and SCA, whose decision shall be binding upon the Scientific Group and the SCA/Earthline Group. If the request cannot be agreed upon by the chief executive officers of Scientific and SCA within ten (10) days after submission to them, the matter will be resolved by an independent third party jointly chosen, per Section 11, by Scientific and SCA, and whose decision or recommendation shall be binding upon the Scientific Group and the SCA/Earthline Group.

(d) Upon the initial payments into the RTF, all claims and invoices seeking reimbursement of expenses of remediation of the Kin-Buc Landfill from members of the Scientific Group and Mahan and Meagher to members of the SCA/Earthline Group shall be deemed to be withdrawn, and all claims and invoices seeking reimbursement of expenses of remediation of the Kin-Buc Landfill from members of the SCA/Earthline Group to members of

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the Scientific Group and Mahan and Meagher shall be deemed to be withdrawn.

Section 4. Suits by Third Parties.

(a) Subject to Section 4(c), in the event that the United States or any other person not a party to this agreement (including without limitation generators, transporters or the State of New Jersey) recovers from any party or any subsidiary, officer, director, agent or employee of any party hereto (whether by settlement or judgment) any amount allegedly expended or to be expended in the remediation of the Kin-Buc Landfill (including applicable administrative costs and remedial investigation/feasibility study costs incurred by federal or state governmental agencies), that amount shall be shared by the Scientific Group and the SCA/Earthline Group pursuant to the Sharing Formula and shall be submitted by the Trust Advisory Committee to the RTF trustee with a recommendation for payment.

(b) In the event that the United States or any other person not a party to this agreement files an action against Mahan, Meagher or any member of the SCA/Earthline Group or Scientific Group or any subsidiary, officer, director, agent or employee of any of them, to recover remedial response costs allegedly expended or to be expended in the remediation of the Kin-Buc Landfill, the committee designated pursuant to Section 3(c) shall meet and seek (but shall not be required) to agree upon counsel to represent such parties (or subsidiaries, officers, directors, agents or employees) in the defense of such claims, with all attorneys' fees and costs to be shared among and paid by the Scientific Group and the SCA/Earthline Group pursuant to the Sharing Formula, but not paid from the RTF.

In any event, Scientific shall retain the option to designate counsel to represent any member of the Scientific Group, (or subsidiaries, officers, directors, agents or employees of members), with all such attorneys' fees and costs to be paid solely by the Scientific Group, and SCA shall retain the option to designate counsel to represent any

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member of the SCA/Earthline Group (or subsidiaries, directors, officers, agents or employees of members), with all such attorneys' fees and costs to be paid solely by the SCA/Earthline Group; and Mahan and Meagher shall retain the option to designate their own counsel with all such attorneys' fees and costs to be paid solely by them.

(c) Except as provided below, no party (or subsidiary, director, officer, agent or employee of a party) shall settle all or any part of any claim subject to sharing without the prior written approval of Scientific and SCA. Provided that:

- (i) In the event that Scientific or SCA (but not both) shall withhold its approval of an offer of settlement of such claim against all of the parties hereunder, the maximum sum for which the SCA/Earthline Group (if Scientific withholds approval) or the Scientific Group (if SCA withholds approval) shall be liable on such claim under this section shall be 25% (in the case of the SCA/Earthline Group) or 75% (in the case of the Scientific Group) of the amount of the settlement offer. Attorney's fees and costs incurred, following the withholding of settlement offer approval, in the defense of such claim by the Group wishing to settle shall be deducted from any payment required to be made by that Group under Section 4(a) of this agreement, and the non-settling Group shall indemnify and hold harmless the settling Group for any additional claims or demands arising out of the continued prosecution of such claim (including claims for interest, attorney's fees, and, if applicable, other administrative or enforcement expenses)
- (ii) In the event that Scientific or SCA (but not both) shall withhold its approval of an offer of settlement of such claim against the SCA/Earthline Group (if Scientific withholds approval) or the Scientific Group (if SCA withholds approval), the Group wishing to settle shall have the right to do so, and upon that Group's acceptance of such offer, neither the amount of the settlement nor the amount of any further recovery or

such claim from any other party to this agreement shall be shared pursuant to the Sharing Formula or be submitted for payment to the trustee of the RTF.

(iii) In the event that Scientific and SCA approve an offer of settlement against less than all of the parties to this agreement, the amount of settlement shall be submitted for payment by the Trust Advisory Committee to the trustee of the RTF, and the amount of any further recovery on such claim from any other party to this agreement shall be shared among the Scientific Group and SCA/Earthline Group (subject to this subsection (c)) pursuant to the Sharing Formula by submission for payment to the trustee of the RTF.

Section 5. Suits Against Third Parties.

In the event that any party hereto, or its subsidiary, has recovered or hereafter recovers all or any part of the response costs related to the Kin-Buc Landfill from any potentially responsible party ("PRP") which is not a party to this agreement (including without limitation generators, transporters or the State of New Jersey) such recovery (less reasonable attorneys' fees and associated out-of-pocket expenses) shall be contributed 100% to the RTF and credited to the Groups according to the Sharing Formula.

Payments obtained from the insurance carrier(s) for a party (or its subsidiary) are not required to be paid to the RTF and are not subject to the Sharing Formula. Provided, however, should any party hereto recover payment, under a policy of insurance written on or in effect after September 2, 1975 and prior to January 1, 1986, of all or part of the Kin-Buc remedial response costs incurred by Earthline, the amount of such payment (less reasonable attorneys' fees and associated out-of-pocket expenses) shall be deposited in the RTF, credited 50% to the Scientific Group and 50% to the SCA/Earthline Group. Provided, further, should any party hereto recover payment, under a policy of insurance whose principal named insured is Scientific, Inc., of all or part of the Kin-Buc remedial

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response costs incurred by Wastequid, the amount of such payment (less reasonable attorneys' fees and associated out-of-pocket expenses) shall be deposited in the RTF, credited to the two Groups according to the Sharing Formula.

Section 6. Representations and Warranties of Scientific Group.

Scientific, Inmar and each of their subsidiaries agree to reimburse the SCA/Earthline Group, by payment to SCA, an amount up to Two Million Dollars (\$2,000,000) of funds actually spent by members of the SCA/Earthline Group for remediation of the Kin-Buc Landfill or spent for prosecuting or defending claims against or by insurance carriers or other non-parties for contribution to remedial response costs (less amounts recovered by the SCA/Earthline Group from insurance carriers or other non-parties), provided that any such reimbursement shall be: (i) payable solely from income (if any) earned by a business entity (or entities) owned by or affiliated with Scientific or Inmar, (ii) earned at any time during the next 50 years from the use of the Kin-Buc Property (or property adjacent thereto owned by Inmar) for waste disposal, treatment or resource recovery; and (iii) limited to 10% of any of said income per fiscal year. For the purposes of this paragraph it is understood and agreed that "income" shall be defined as: (1) if generated from the landfilling of said property, net income computed in accordance with generally accepted accounting principles; and (2) if generated from a resource recovery project on said property, when the project has achieved positive cash flow. In the event all or any portion of the Kin-Buc Property (or property adjacent thereto owned by Inmar) is sold or mortgaged, for purposes of waste disposal, treatment or resource recovery, the net proceeds of such sale or mortgage shall be considered income subject to the right of reimbursement above stated.

For purposes of this Section "the Kin-Buc Property (or property adjacent thereto owned by Inmar)" means Lot 3-C in Block 400, and Lots 1, 3-A and 3-B in Block 376 in Edison Township, comprising approximately 81 acres and shown on the map attached hereto as Exhibit C.

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Section 7. Indemnifications.

(a) Scientific, Kin-Buc, Filcrest, Inmar, Mahan and Meagher shall jointly and severally indemnify and hold harmless SCA, SCA Passaic, Wastequid, Earthline and any assignee or any other person with a claim derived by, through, or under SCA, SCA Passaic, Wastequid or Earthline from and against any and all payments or liabilities resulting from or with respect to any claim made by any person or entity relating to the allocation or division of liabilities or responsibilities under this agreement between or among members of the Scientific Group. In that connection the Scientific Group acknowledges and represents that the SCA/Earthline Group neither have expressed an opinion regarding such allocation or division of liabilities or responsibilities under this agreement nor have attempted by any other means to induce the Scientific Group to divide or allocate such liabilities or responsibilities in any particular manner.

(b) SCA, Earthline, Wastequid and SCA Passaic shall jointly and severally indemnify and hold harmless Scientific, Kin-Buc, Filcrest, Inmar, Mahan and Meagher and any assignee or any other person with a claim derived by, through, or under Scientific, Kin-Buc, Filcrest, Inmar, Mahan and Meagher from and against any and all payments or liabilities resulting from or with respect to any claim made by any person or entity relating to the allocation or division of liabilities or responsibilities under this agreement between or among members of the SCA/Earthline Group. In that connection the SCA/Earthline Group acknowledge and represent that the Scientific Group, Mahan and Meagher, neither have expressed an opinion regarding such allocation or division of liabilities or responsibilities under this agreement, nor have attempted by any other means to induce the SCA/Earthline Group to divide or allocate such liabilities or responsibilities in any particular manner.

Section 8. Covenants Not to Sue.

~~Except as specified in the next paragraph,~~ The SCA/Earthline Group, on behalf of themselves and their parents, subsidiaries, affiliates,

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successors and assigns, hereby covenant that, so long as each member of the Scientific Group is not in breach or default hereunder, members of the SCA/Earthline Group, their parents, subsidiaries, affiliates, successors or assigns will not sue or maintain any suit against Scientific, Kin-Buc, Filcrest, Inmar, Mahan or Meagher, or any of their parents, subsidiaries, affiliates, successors, assigns, or any officers, directors, agents or employees of any of them, for any claim, demand, action or cause of action of any kind or nature, at law or in equity, which arises or may arise out of the remediation of the Kin-Buc Landfill, or which arises or may arise out of the actual or threatened release of pollutants or hazardous substances from the Kin-Buc Landfill. Provided, this covenant shall extend to any claim, demand, action or cause of action arising out of Kin-Buc's acts or omissions, on and after the date of this Agreement, in the implementation of remedial response activities pursuant to Section 1(d), except for a claim by third parties against the SCA/Earthline Group alone, then in that case the SCA/Earthline Group may bring suit to share costs pursuant to such Section 1(d). Provided, further, this covenant shall not extend to claims, demands, or causes of action filed in or arising out of that certain proceeding pending before the Middlesex County Superior Court at Docket No. L-051533-84, styled Kenney, et al. v. Scientific, Inc., et al.

The Scientific Group and Mahan and Meagher, on behalf of themselves and their parents, subsidiaries, affiliates, successors and assigns, hereby covenant that, so long as each member of the SCA/Earthline Group is not in breach or default hereunder, members of the Scientific Group and Mahan and Meagher, their parents, subsidiaries, affiliates, successors or assigns will not sue or maintain any suit against Earthline, SCA, SCA Passaic, or Wastequid, or any of their parents, subsidiaries, affiliates, successors, assigns, or any officers, directors, agents or employees of any of them, for any claim, demand, action or cause of action of any kind or nature, at law or in equity, which arises or may arise out of the remediation of the Kin-Buc Landfill, or which arises or may arise out of the actual or threatened release of pollutants or hazardous substances from the Kin-Buc Landfill. Provided, this covenant shall extend to any claim, demand, action or cause of action arising out of Kin-Buc's acts or omissions, on and after the date of this Agreement, in the implementation of remedial response activities

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pursuant to Section 1(d), except for a claim by third parties against the Scientific Group* alone, then in that case the Scientific Group may bring suit to share costs pursuant to such Section 1(d). Provided, further, this covenant shall not extend to claims, demands, or causes of action filed in or arising out of that certain proceeding pending before the Middlesex County Superior Court at Docket No. L-051533-84, styled Kenney, et al. v. Scientific, Inc., et al.

The mutual covenants above stated are not intended to release any party hereto from any liability or claims and such are not released. The reciprocal covenants may, to the extent they are applicable, be pleaded as a defense to any action or claim brought by any party or parent, subsidiary, affiliate, successor or assignee of a party hereto. It is expressly understood that this covenant does not apply to claims arising under this agreement.

If either Group defaults in its obligation to contribute funds to the RTF pursuant to Section 3 hereof, the non-defaulting Group shall have a claim against the defaulting Group for that portion of the response costs incurred by the non-defaulting Group not paid by the RTF equal to the defaulting Group's share of responsibility as specified in the Sharing Formula.

Section 9. Third Party Beneficiaries.

This agreement and any determination made under this agreement shall not be deemed to have been made for the benefit of any person other than the parties to this agreement (and their subsidiaries, officers, directors, agents and employees) and, as to any person not a party to this agreement, shall not be deemed an admission of liability or of fact for any purpose. Nothing contained herein is intended to relieve any person not a party to this agreement (including but not limited to the State of New Jersey or waste generators) of any liability such persons may have to the parties hereto.

Section 10. Assignment.

Except as provided below, no party hereto may assign its rights to receive any benefit or to fulfill any obligation under this agreement without the prior written consent (which shall not be unreasonably withheld) of (i) SCA (in case of a proposed assignment by Scientific, Kin-Buc, Filcrest, Inmar, Mahan or Meagher), or (ii) Scientific (in the case of a proposed assignment by Earthline, SCA, Wastequid or SCA Passaic). Nothing in this Section is intended to prohibit, condition or restrict, the assignment of rights to receive benefits hereunder to an insurance carrier pursuant to the provisions of any policy of insurance issued to any party or parent or subsidiary of any party to this agreement.

Section 11. Arbitration.

Any disputes arising under this agreement (including any disputes concerning the interpretation or administration of the Trust Agreement and including any disputes that are not resolved by the procedure described in Section 3, hereinabove) shall be submitted to binding arbitration in accordance with the rules of the American Arbitration Association. Such arbitration shall be filed and pursued in New York, New York or at such other place as the parties shall agree. The arbitrator shall be chosen by agreement of Scientific and SCA; in the event that Scientific and SCA cannot agree upon an arbitrator, each party shall select an arbitrator, who, together, shall select a third arbitrator. The costs of arbitration shall be borne equally by Scientific and SCA. The award of the arbitrator shall be final and binding on the parties, and judgment upon the award rendered by the arbitrator may be entered in any court of competent jurisdiction.

Section 12. Governing Law.

The agreement shall be construed and enforced in accordance with the laws of the State of New Jersey applicable to contracts made and to be performed entirely within such State.

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Section 13. Binding Agreement.

This agreement and any determination made under this agreement shall be binding on the parties and their subsidiaries, successors, heirs and assigns and shall inure to the benefit of the parties and their subsidiaries, successors, heirs and such assigns as are permitted in accordance with Section 10.

Section 14. Written Modifications.

This agreement may not be amended or modified except in writing signed by the parties hereto.

Dated: Scotch Plains, New Jersey
February , 1986

Scientific, Inc.

BY: Charles J. McNeill, Jr.

Scotch Plains, New Jersey
February , 1986

Kin-Buc, Inc.

BY: Charles J. McNeill, Jr.

Scotch Plains, New Jersey
February , 1986

Wastequid, Inc.

BY: Charles J. McNeill, Jr.

Scotch Plains, New Jersey
February , 1986

Filcrest Realty, Inc.

BY: Charles J. McNeill, Jr.

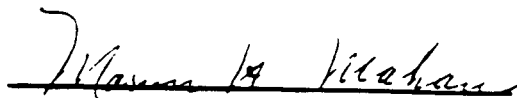
Scotch Plains, New Jersey
February , 1986

Inmar Associates, Inc.

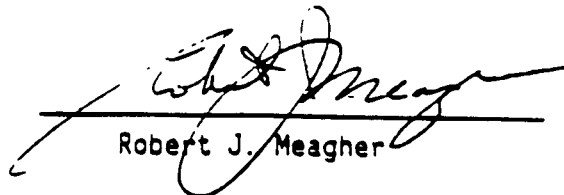
BY: Mavis Boring VP

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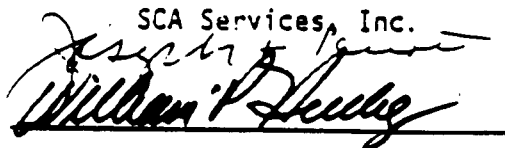
Scotch Plains, New Jersey
February , 1986


Marvin H. Mahan

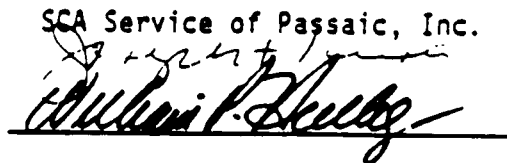
Scotch Plains, New Jersey
February , 1986


Robert J. Meagher

Scotch Plains, New Jersey
February , 1986

SCA Services, Inc.
BY: 

Scotch Plains, New Jersey
February , 1986

SCA Service of Passaic, Inc.
BY: 

Scotch Plains, New Jersey
February , 1986

Earthline Company
BY: 

Eric
Gunn

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

THE EARTHLINE COMPANY; SCA : Hon. Clarkson S. Fisher, C.J.
SERVICES OF PASSAIC, INC.; SCA : Civil No. 83-4226
SERVICES, INC., :

Plaintiffs, :

vs. :

KIN-BUC, INC.; SCIENTIFIC, INC., :
WASTEQUID, INC.; INMAR ASSOCIATES, :
INC.; FILCREST REALTY, INC.; :
MARVIN MAHAN; ROBERT MEAGHER; :
UNITED STATES DEPARTMENT OF :
ENVIRONMENTAL PROTECTION, :

Defendants :

KIN-BUC, INC.; SCIENTIFIC, INC.; :
WASTEQUID, INC.; INMAR ASSOCIATES, :
INC.; FILCREST REALTY, INC., :

Defendants/Third :
Party Plaintiffs, :

vs. :

ABC CORPORATION 1-X, :

Third Party Defendants. :

ROBERT J. MEAGHER and MARVIN H. :
MAHAN, :

Defendants/Third :
Party Plaintiffs, :

vs. :

JOHN DOE, et al. and X Corpora- :
tion, et al., :

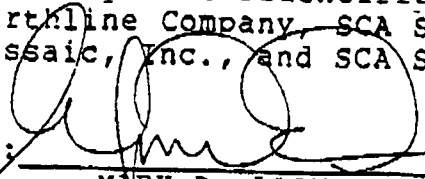
Third Party Defendants. :

STIPULATION OF DISMISSAL

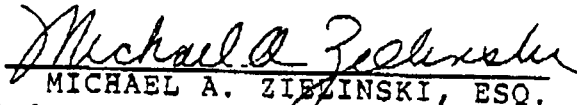
The matter in difference in the above entitled action

having been amicably adjusted by and between the parties, it is hereby stipulated and agreed that the same be and it is hereby dismissed without prejudice and without costs against all parties.

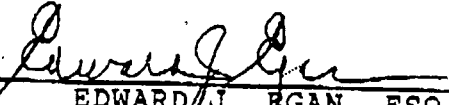
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TRUST AGREEMENT

IRREVOCABLE ENVIRONMENTAL PROTECTION RESPONSE TRUST

This trust agreement is made this ____ day of _____, 1986, at _____, between _____, as trustee, and the following Grantors of this trust: SCA Services, Inc. ("SCA"), Earthline Company, SCA Services of Passaic, Inc., Wastequid, Inc. (the foregoing four companies hereinafter sometimes collectively referred to as the "SCA/Earthline Group"), Scientific, Inc. ("Scientific"), Inmar Associates, Inc., Kin-Buc, Inc. and Filcrest Realty, Inc. (the foregoing four companies hereinafter sometimes collectively referred to as the "Scientific Group").

The Grantors hereby transfer to the trustee the property described in the attached schedule. That property, and any other property that may be received by the trustee hereunder, shall be held and disposed of upon the following trusts:

ARTICLE I

This trust is established to benefit public health, safety and the environment by providing funds for the remediation of the Kin-Buc Landfill facility located at 383 Meadow Road, Edison, New Jersey, (hereinafter sometimes referred to as "Kin-Buc"). Kin-Buc is the subject of a United States Environmental Protection Agency Order (In re Scientific, Inc. et al. Docket No. II-CERCLA-30102, Region II; September 23, 1983) (the "EPA

EXHIBIT B
TO SETTLEMENT AGENT

JK
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Order"). A copy of the EPA Order is attached hereto as Exhibit A and is incorporated by reference herein. Until the trust is terminated as provided in Article IV hereof, the trustee shall make payments of income and principal exclusively for Remediation Activities relating to Kin-Buc, including, without limitation, the off-site removal of contaminated waste and leachate, treatment of contaminated ground and surface water, construction, testing, earth moving, environmental monitoring, operation, and maintenance, all as required of any Grantor or Marvin Mahan or Robert Meagher, or any subsidiary, officer, director, agent, or employee of any Grantor, Mahan or Meagher, by any one or more of the following: the EPA Order (including any administrative or judicial order vacating, superseding or modifying the EPA Order), the Stipulation and Agreement of Partial Settlement dated January 30, 1980 (Civil Action No. 79-514) between the United States and Kin-Buc, Inc., the Stipulation and Agreement in Partial Settlement of Administration Proceedings dated January 30, 1980 (Docket No. 787-788) between the New Jersey Department of Environmental Protection, New Jersey BPU and Kin-Buc, Inc., or any other order, administrative action or statute ordering the performance of remedial response activities at Kin-Buc Landfill (hereinafter sometimes referred to as "Remediation Activity or Activities"). The payments shall be made in accordance with the provisions of ~~Article III~~ of this agreement. Any excess income may, from time to time, be added to principal at the discretion of the trustee.

ARTICLE II

^{Committee}
1. The ~~Grantors~~ (or any one or more of them) shall provide the trustee with a list of the names of the persons or corporations who are authorized to deliver a statement to the trustee of the incurrence or assessment of costs for a necessary Remedial Activity ("Statement"). The ^{Committee} ~~Grantors~~ may, from time to time, amend this list. Upon receipt of any Statement which the trustee determines to be for legitimate costs for an authorized Remedial Activity, or upon the written recommendation of the Trust Advisory Committee (described in paragraph 2 of this Article II) for the payment of any costs of a Remedial Activity, the trustee shall pay such costs, or, in the case in which the cost of a Remedial Activity has already been incurred, shall reimburse such person or corporation for such costs of Remedial Activity, out of net income, and, if the net income is insufficient, out of the principal of the trust. In making a determination whether any Remedial Activity is authorized, the trustee ^{shall} ~~may~~ rely upon the Remedial Activity authorizations periodically communicated to the trustee by the Trust Advisory Committee.

2. In making a determination whether any such Statement is for legitimate costs for an authorized Remedial Activity, the trustee may rely upon the written recommendation for payment of such Statement by the Trust Advisory Committee consisting of two persons: one person appointed by the chief executive officer of Scientific and one person appointed by the chief executive officer of SCA. If the Trust Advisory Committee cannot make a unani-

mous recommendation within twenty days of receipt of a Statement from the trustee, the trustee may submit the statement to the chief executive officers of Scientific and SCA whose written recommendation may be relied upon by the trustee. The trustee may act upon any such recommendation without independent investigation, and such recommendation shall be binding on all parties. The trustee shall have no liability for any action taken in good faith pursuant to the provisions of this paragraph.

ARTICLE III

This trust shall terminate ninety days after the trustee receives notification that the United States Environmental Protection Agency (or any successor agency of the United States government) (the "EPA") has approved termination of post-closure activities at the Kin-Buc Landfill facility. Upon termination, the trustee shall distribute the trust property, as then constituted, in its discretion: (a) to such organization or organizations (which need not be described in Sections 501(c)(3) or 170(b)(1)(A) of the Internal Revenue Code (or successor provisions of the Code of like import)) as the trustee determines to have as a designated purpose activities broadly aimed at the improvement and treatment of contaminated areas of the environment; or (b) to The Hazardous Substance Response Trust Fund created by 42 U.S.C. 9631.

ARTICLE IV

1. The trustee shall have the following powers, and any others that may be granted by law, with respect to each trust hereunder, to be exercised as the trustee in the discretion of the trustee determines to be to the best interests of the beneficiaries:

(a) To retain any property or undivided interests in property devised, bequeathed or transferred to the trustee, regardless of lack of diversification;

(b) To invest and reinvest the trust estate in any property and undivided interests in property, wherever located, including bonds, notes secured or unsecured, stocks of corporations regardless of class, real estate or any interest in real estate and interests in trusts, investment trusts or companies, and common trust funds, without being limited by any statute or rule of law concerning investments by trustees;

(c) To sell any trust property, for cash or on credit, at public or private sales; to exchange any trust property for other property; to grant options to purchase or acquire any trust property; and to determine the prices and terms of sales, exchanges and options;

(d) To give consents and make contracts relating to real estate or its use; and to release or dedicate any interest in real estate;

(e) To borrow money and to mortgage or pledge any trust property;

(f) To employ attorneys, auditors and investment advisers, and to act without independent investigation upon their recommendations, and to employ depositories, proxies and agents, with or without discretionary powers; and to keep any property in the name of a trustee or a nominee, with or without disclosure of any fiduciary relationship, or in bearer form;

(g) To determine in any equitable manner the ascertainment of income and principal, and the allocation or apportionment between income and principal of all receipts and disbursements; and to select an annual accounting period;

(h) To take any action with respect to conserving or realizing upon the value of any trust property, and with respect to foreclosures, reorganizations or other changes affecting any trust property; to collect, pay, contest, compromise or abandon demands of or against the trust estate, wherever situated; and to execute contracts, notes, conveyances and other instruments, including instruments containing covenants and warranties binding upon and creating a charge against the trust estate, and containing provisions excluding personal liability;

(i) To receive additional property from any source and add it to and commingle it with the trust estate;

(j) To make any distribution or division of the trust property in cash or in kind or both; to apportion undivided interests in property among the beneficiaries or portions; and to continue to exercise any powers and discretion hereunder for a reasonable period after the termination of the trust, but only for so long as no rule of law relating to perpetuities would be violated;

(k) To allocate different kinds or disproportionate shares of property among the beneficiaries or portions, and to determine the value of any such property.

2. Any trustee shall be entitled to reasonable compensation for services in administering and distributing the trust property, and to reimbursement for expenses.

3. No person paying money or delivering any property to any trustee need see to its application.

4. To the extent that such requirements can legally be waived, no trustee shall ever be required to give any bond as trustee; to qualify before, be appointed by or in the absence of breach of trust account to any court; to obtain the order or approval of any court in the exercise of any power or discretion hereunder; or to be personally liable upon any contract, note or other instrument executed hereunder or for any indebtedness of the trust estate.

5. No trustee shall ever be accountable for any act or default of, or have any responsibility for the accounts of, any other trustee.

6. The trustee shall give prompt notice to the chief executive officers of Scientific and SCA of the amount, contributor and time of receipt of each contribution made to the trust.

7. If at any time the value of the trust property, net of Statements received and duly payable in accordance with the provisions of Article II, is less than \$50,000 (or such other amount as the chief executive officers of Scientific and SCA from time to time designate in writing to the trustee) the trustee shall promptly notify the chief executive officers of Scientific and SCA of the deficit in writing.

8. Any notice required to be given to the chief executive officer of Scientific or the chief executive officer of SCA may be given to a representative either such officer may, from time to time, designate in writing to the trustee.

9. Any reference in this Agreement to a corporation shall include such corporation's successors and assigns.

10. This instrument and the dispositions hereunder shall be construed and regulated and their validity and effect shall be determined by the laws applicable to contracts made and to be performed in the State of New Jersey.

ARTICLE V

1. Any member of the Trust Advisory Committee may resign at any time by a signed instrument filed with the trust records after giving written notice, specifying the effective date of the resignation, to the trustee, the Scientific Group and the SCA/ Earthline Group.

2. The chief executive officer of Scientific may remove, at any time, any person appointed by him to the Trust Advisory Committee by an instrument delivered to such person and he shall appoint a successor member of the Trust Advisory Committee in his place. A signed counterpart of the instruments of removal and of appointment shall be delivered to the trustee and the SCA/Earthline Group, and shall be filed with the trust records.

3. The chief executive officer of SCA may at any time remove any person appointed by him to the Trust Advisory Committee by an instrument delivered to such person and he shall appoint a successor member of the Trust Advisory Committee in his place. A signed counterpart of the instruments of removal and of appointment shall be delivered to the trustee and the Scientific Group, and shall be filed with the trust records.

ARTICLE VI

1. Any trustee may be removed at any time by an instrument delivered to such trustee and signed by the chief executive officers of Scientific and SCA. A signed counterpart of the

instrument of removal shall be delivered to the Trust Advisory Committee and shall be filed with the trust records.

2. Any trustee may resign at any time by a signed instrument filed with the trust records after giving written notice, specifying the effective date of the resignation, to the Trust Advisory Committee, and the chief executive officers of Scientific and SCA.

3. If any trustee at any time resigns, is removed, or refuses or is unable to act, a corporation (authorized under the laws of the United States or of any state to administer trusts and having total capital, surplus and undivided profits of at least Ten Million Dollars) may be appointed as trustee in such trustee's place by an instrument filed with the trust records and signed by the chief executive officers of Scientific and SCA. A signed counterpart of the instrument of appointment shall be delivered to the Trust Advisory Committee.

4. The approval of the accounts of any trustee, in an instrument signed by the Trust Advisory Committee and the chief executive officers of Scientific and SCA shall be a complete release and discharge of such trustee with respect to the administration of the trust property for the period covered by such accounts, binding upon all persons.

5. Any corporate successor to the trust business of any corporate trustee designated herein or at any time acting hereunder shall succeed to the capacity of its predecessor, without conveyance or transfer.

6. Any successor trustee hereunder shall have all the title, powers and discretion of the original trustee, without conveyance or transfer.

7. If at any time any trust property is situated in a jurisdiction in which any trustee is unable or unwilling to act, such person (who may be an officer or employee of any corporate trustee) or corporation as may be appointed in an instrument signed by the trustee (or by a then acting Vice-President of any corporate trustee) shall act as trustee with respect to that property, and such trustee and every successor trustee so appointed shall have all the title, powers and discretion with respect to that property that are herein given to the trustee. The net income from that property and any net proceeds of its sale shall be paid over to the principal trustee.

8. Notwithstanding anything herein to the contrary, during the term of this trust no payments may be made to any Grantor or to the creditors of any Grantor other than payments which are directly within the purposes of this Agreement for the remediation of the Kin-Buc Landfill facility.

ARTICLE VII

This trust agreement may not be revoked. It may be amended only to conform with the purposes for which it was created and in no event may it be amended to cause any trust property to be paid during the term of the trust for any purpose other than the remediation of the Kin-Buc Landfill facility.

This instrument is signed and sealed on the date first above written.

SCA SERVICES, INC.

By William P. Deely (SEAL)
Its

EARTHLINE COMPANY

By Charles M. Mull (SEAL)
Its

SCA SERVICES OF PASSAIC, INC.

By William P. Deely (SEAL)
Its

WASTEQUID, INC.

By Charles M. Mull (SEAL)
Its

SCIENTIFIC, INC.

By Charles M. Mull (SEAL)
Its

Grantors

By Mavis Boring (SEAL)
Its Vice Pres.

By Charles M. Hall (SEAL)
Its S. B.

By Charles H. Muller (SEAL)
Its SL

By _____ (SEAL)
Its _____

Trustee

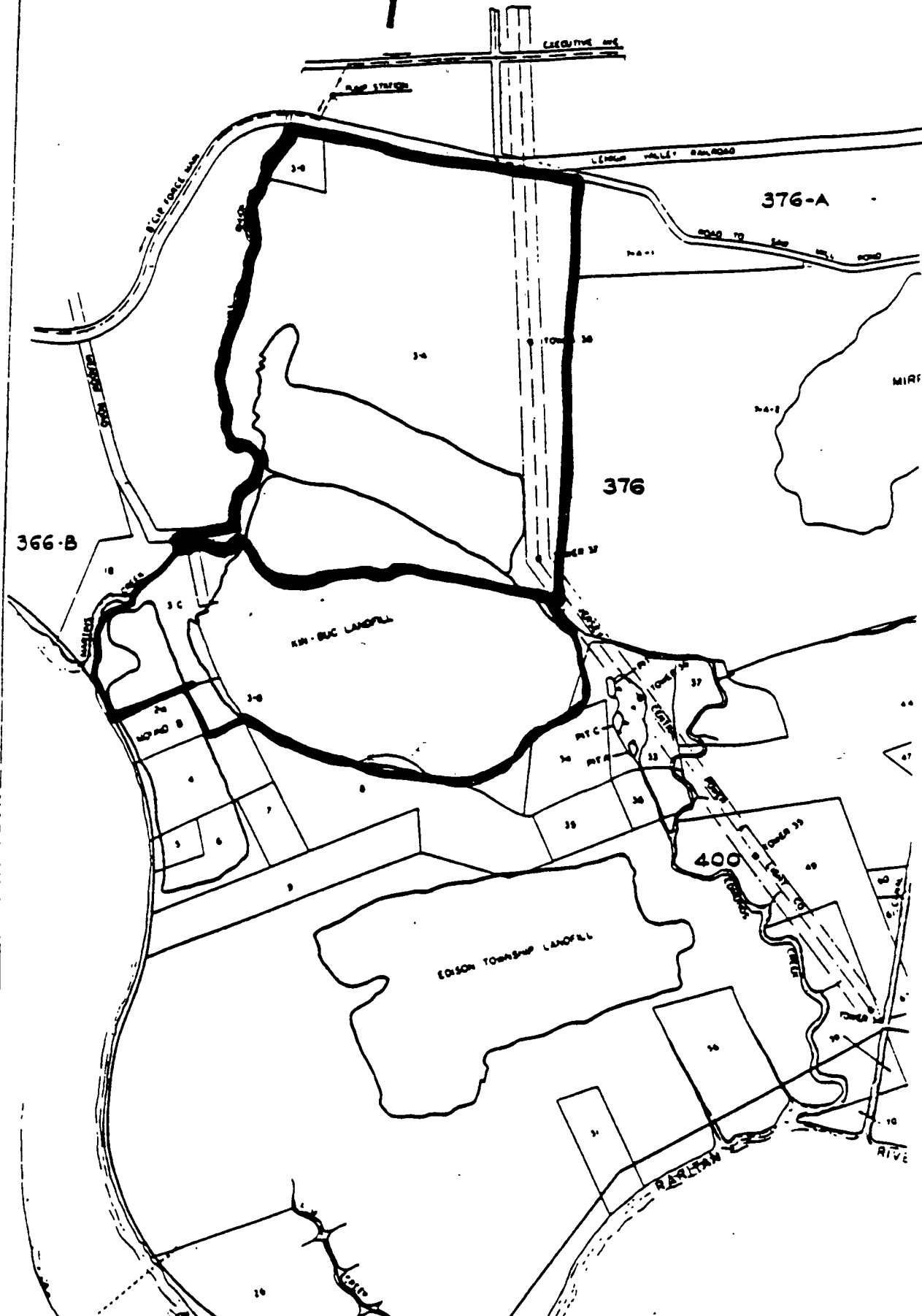
IRREVOCABLE ENVIRONMENTAL PROTECTION RESPONSE TRUST

SCHEDULE

AK-
GSM

SETTLEMENT

Exhibit C to Agreement dated February , 1986
among Scientific, Inc., SCA Services, Inc. et a



OK.
C/M